

OCT 23 2007

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COMMISSION
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BEFORE THE FEDERAL ELECTION COMMISSION

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In the Matter of)

MUR 5652

Terrell for Senate and
Justin Schmidt, in his official
capacity as treasurer)

SENSITIVE

GENERAL COUNSEL'S REPORT #6

I. ACTIONS RECOMMENDED

1. Find probable cause to believe that Terrell for Senate and Justin Schmidt, in his official capacity as treasurer, violated 2 U.S.C. §§ 441b(a), 441a(f), 434(a)(6) and 434(b), and 11 C.F.R. §§ 102.17(c)(8)(i)(B), 104.3(a) and (b), and 104.5(f).

2. [REDACTED]

II. BACKGROUND

Terrell for Senate ("the Committee") is the principal campaign committee of Suzanne Haik Terrell during her 2002 race for the United States Senate from Louisiana. Based on the findings of a Federal Election Commission ("Commission") audit of the Committee, the Commission previously found reason to believe that Terrell for Senate and Justin Schmidt, in his official capacity as treasurer, ("Respondents") violated 2 U.S.C. §§ 441b(a), 441a(f), 434(a)(6) and 434(b), and 11 C.F.R. §§ 102.17(c)(8)(i)(B), 104.3(a) and (b), and 104.5(f).¹ [REDACTED]

[REDACTED] we served the General Counsel's

¹ The audit, conducted pursuant to 2 U.S.C. § 438(b), covered the period from July 19, 2002 to December 31, 2002, the total period of Ms. Terrell's 2002 campaign. See Final Audit Report (approved by the Commission on August 4, 2004). Justin Schmidt was not the Committee's treasurer at the time the violations occurred. He was designated the Committee's treasurer on December 22, 2003 and was the treasurer at the time of the Commission's reason to believe findings.

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1 Brief, which is incorporated herein by reference. The General Counsel's Brief sets forth the
2 factual and legal analysis upon which we are prepared to recommend that the Commission find
3 probable cause to believe that Respondents violated 2 U.S.C. § 441b(a) by accepting corporate
4 contributions; 2 U.S.C. § 441a(f) by accepting excessive contributions; 2 U.S.C. § 434(b), and
5 11 C.F.R. § 104.3(a) and (b) by misstating financial activity (overstating its ending cash balance
6 and understating total receipts and disbursements); 2 U.S.C. § 434(b) and 11 C.F.R. § 104.3(a)
7 by failing to itemize contributions and failing to adequately disclose contributor occupation and
8 employer information; 2 U.S.C. § 434(b) and 11 C.F.R. §§ 102.17(c)(8)(i)(B) and 104.3(a) by
9 failing to disclose joint fundraising proceedings; and 2 U.S.C. § 434(a)(6) and 11 C.F.R.
10 § 104.5(f) by failing to file 48-hour notices. [REDACTED]

11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 Accordingly, we recommend that the Commission find probable cause to believe that
17 Respondents violated 2 U.S.C. §§ 441b(a), 441a(f), 434(a)(6), and 434(b), and 11 C.F.R.
18 §§ 102.17(c)(8)(i)(B), 104.3(a) and (b), and 104.5(f).

[REDACTED]

1 **III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY**

2 [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

[REDACTED]

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[REDACTED]

IV. RECOMMENDATIONS

1. Find probable cause to believe that Terrell for Senate and Justin Schmidt, in his official capacity as treasurer, violated 2 U.S.C. §§ 441b(a), 441a(f), 434(a)(6) and 434(b), and 11 C.F.R. §§ 102.17(c)(8)(i)(B), 104.3(a) and (b), and 104.5(f).

2. [REDACTED]

[REDACTED]

3. Approve the appropriate letter.

10/23/2007
Date



Thomasenia P. Duncan
General Counsel



Ann Marie Terzaken
Acting Associate General Counsel
for Enforcement



Cynthia E. Tompkins
Assistant General Counsel

Attachments:

1. Respondents' Reply Brief
2. [REDACTED]
3. [REDACTED]

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